



PSC NEWS

Missouri Public Service Commission

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PSC ISSUES DECISION IN SPRINT COMPETITION CASE

Jefferson City (December 9, 2003)---The Missouri Public Service Commission has determined that Sprint Missouri, Incorporated (Sprint) faces effective competition in three of its 80 telephone exchanges in Missouri. The exchanges involved are Norborne, Kearney and Rolla. This decision means Sprint will have greater pricing flexibility in these three exchanges and will not be limited to charging rates at or below maximum rates established under price cap regulation.

As a result of the Commission's decision, the other 77 Sprint exchanges will remain under price cap regulation for services such as basic local telephone service, pay phone service, directory assistance and local operator services. The Commission has determined in this case that effective statewide competition for Sprint's Speed Dial services exists. That service will no longer be under price cap regulation.

In 1996, state legislation was enacted which granted pricing flexibility (price cap regulation) to certain telephone companies such as Sprint, if those companies could demonstrate that an alternative local telephone company was providing basic local telephone service in its service territory.

On December 15, 1998, ExOp of Missouri, Inc. (d/b/a Unite), an alternative local exchange telecommunications company, was authorized to begin providing basic local telephone services in an exchange of Sprint.

Under state law, the Missouri Public Service Commission is required to open a case and review the state of competition no later than five years following the first certification of an alternative provider.

Sprint operates in 80, mostly rural, exchanges throughout Missouri but contended in this case that it faces effective competition in five specific exchanges: Rolla, Norborne, Kearney, Platte City and St. Robert.

Based upon a thorough review of the record in this case, the Commission has determined that effective competition exists in the Sprint exchanges of Rolla, Norborne and Kearney. As a result, price cap regulation will no longer limit the rates for basic local telephone service in those exchanges. In addition, directory assistance services, local operator services, and pay phone services offered in the Kearney, Rolla and Norborne exchanges are considered to have effective competition. ISDN services received competitive classification in the Rolla and Kearney exchanges. The exchanges of Platte City and St. Robert will remain under price cap regulation.

The Commission, in its decision, has determined that intraLATA long-distance service is a competitive offering for all of Sprint's exchanges and as a result, Sprint will have the ability to raise their rates, if they choose to do so, on 10 days notice to the Commission and affected customers. IntraLATA long-distance is a long-distance call which originates and terminates within a LATA (Local Access Transport Area) in Missouri. There are four LATAs in Missouri (417 area code; the 314, 636 and 573 area codes; the 816 and 600 area codes; and the Jefferson City-Columbia market area). Examples of an intraLATA call would be a call from Kansas City to Maryville, Rolla to St. Louis or Jefferson City to Columbia.

The Commission noted in its order that there are at least 586 interexchange (long-distance) carriers certified in Missouri that offer intraLATA long-distance service in competition with Sprint.

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